

INTRODUCTION

Responding to the Demands of a Rapidly Changing Economy:
USDOL SKILLS SHORTAGE
INITIATIVES
AND THE
THE H-1B TECHNICAL
SKILL TRAINING PROGRAM

Americans are enjoying the most robust economy in a generation. Given the rapid pace of economic growth and technological change, it is not surprising that employers across the country have said that they cannot find enough qualified workers. Soaring demand for technology-related workers in particular has been highly publicized.

It is clear that for Americans to share in the fruits of the new prosperity they need the higher skills many of the new jobs require. To quote the 21st Century Workforce Commission:..." as never before, there is and will increasingly be a premium on American workers who can read and understand complex material, think analytically and use technology efficiently."

One major response to changing demands of the "new economy" was the passage, in August of 1998, of the Workforce Investment Act (WIA). WIA mandates that most existing federally funded workforce investment programs be integrated into a single, seamless system easily accessed through a national network of One Stop Career Centers. WIA promises to provide services to all Americans and to provide them greater individual choice by giving them decision-making power over training funds through the

use of vouchers. In addition, unlike the Job Training Partnership Act it replaced, WIA permits funds to be used to train *employed* as well as unemployed workers.

In addition to WIA, the U.S. Department of Labor has launched a series of initiatives specifically in response to the growing problem of skills shortages. In June 1998, \$7.5 million in JTPA Title III dislocated worker funds was awarded to eleven organizations throughout the country to train workers in skills related to the information technology industry. In June 1999, over \$9.57 million was awarded to ten grantees to train dislocated workers in the skills necessary to obtain work requiring advanced skills in occupations within manufacturing industry settings, including computers and electronics manufacturing, machinery and motor vehicles, chemicals and petroleum, specialized instruments and devices, and biomedics. On March 2, 2000, twenty-three awards totaling \$15.1 million were announced for a regional skills consortium competition.

At the same time, in October 1998, Congress enacted the American Competitiveness and Workforce Improvement Act of 1998 (ACWIA). This legislation authorized the use of over half of the employer H-1B application fees that went into effect December 1, 1998 to finance a H-1B Technical Skill Training Grant Program. This training program is designed to help American workers – both employed and unemployed – acquire the requisite skills in occupations that are in demand, particularly in industries such as information technology and health. These grants provide funds to consortia of business, labor, community-based organizations and local Workforce Investment Boards.

On August 16, 1999, USDOL announced the first round solicitation for H-1B technical skill training; since then, one additional round of competition has been held and, in total, \$41.6 million has been awarded. On August 1, 2000, the third competition was announced. Additional rounds of competition for H-1B Technical Skill Training Grants will continue to be conducted as long as the Department of Labor continues to hold funds generated by the H-1B fees. .

This Briefing Book provides background information on the Department of Labor's skills shortage initiatives, including lessons learned from these and other regional skills alliances. In addition, the Briefing Book describes the specific goals of this Information Session and of the solicitation.